

# LW4639: SECURITIES REGULATION

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## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

Securities Regulation

### Subject Code

LW - Law

### Course Number

4639

### Academic Unit

School of Law (FL)

### College/School

School of Law (FL)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

LW4139 Securities Regulation (LLB) from the old curriculum  
LW4139A Securities Regulation (AMLLB) from the old curriculum

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course offers an introduction to capital market and securities regulation. This course will be helpful for students who wish to become lawyers specialised in capital market transactions, including initial public offering (IPO) and mergers & acquisitions. Students will learn about relevant regulations on public offering, the liability regime, and the regulatory regime for takeovers and privatisation. We will learn relevant regulations from a comparative law perspective and discuss the policy rationale behind different regimes, including UK, US and China. To better prepare students for private practice, we will also read Harvard business cases and invite practitioners to give guest lectures to help students understand the business and practice of capital market transactions.

### Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if DEC-A1 DEC-A2 DEC-A3 app.)			
1	Describe and explain the basic principles of the law relating to capital markets	40	x		
2	Apply the principles of securities law to solve legal problems by analysing cases and interpreting statutes	20	x		
3	Conduct independent research on the law and relevant legal issues in relation to capital markets	20		x	x
4	Research, analyse and critically evaluate legal principles and doctrines in securities law in light of both doctrinal coherence and in relation to the policy objectives of the law	10		x	
5	Understand the business and practice of capital market transactions	10		x	x

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)	
1	Lecture	Lecture	1, 2, 3, 4	2
2	Tutorial	Tutorial discussion	2, 4, 5	1

### Assessment Tasks / Activities (ATs)

ATs	CILO No.	Weighting (%)	Remarks ("- for nil entry)	Allow Use of GenAI?	
1	Tutorial Participation	1, 2, 5	10	-	No
2	Coursework	1, 2, 3, 4, 5	30	-	No

**Continuous Assessment (%)**

40

**Examination (%)**

60

**Examination Duration (Hours)**

2

**Minimum Continuous Assessment Passing Requirement (%)**

30

**Minimum Examination Passing Requirement (%)**

30

**Additional Information for ATs**

Students must obtain a minimum mark of 30% in both coursework and examination and an overall mark of 40% in order to pass the course. When University facilities and resources are available, students are required to take a computer-based examination in computer labs. During the examination, students are blocked from access to files, programme and the Internet.

**Assessment Rubrics (AR)**

**Assessment Task**

Class Participation

**Criterion**

Ability to identify the right issues and address the problems; Ability to apply the relevant laws to the issues; Ability to present arguments and observations clearly and in a well thought out manner.

**Excellent (A+, A, A-)**

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

**Good (B+, B, B-)**

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

**Fair (C+, C, C-)**

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

**Marginal (D)**

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

**Failure (F)**

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

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**Assessment Task**

Coursework

**Criterion**

Ability to identify issues, demonstrate an understanding of the relevant principles/regulations, apply principles to real or hypothetical scenarios, and articulate one' s views orally

**Excellent (A+, A, A-)**

Excellent identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one' s views in a coherent and persuasive manner

**Good (B+, B, B-)**

Good identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one' s views in somewhat coherent and persuasive manner

**Fair (C+, C, C-)**

Adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one' s views

**Marginal (D)**

Barely adequate identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one' s views

**Failure (F)**

Poor identification of issues, evidence of understanding principles/regulations and applying them to hypothetical scenarios, and articulation of one' s views

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**Assessment Task**

Final Exam

**Criterion**

Ability to analyse facts, identify relevant issues, apply principles/regulations, and communicate one' s reasoned views in writing

**Excellent (A+, A, A-)**

Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.

**Good (B+, B, B-)**

Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.

**Fair (C+, C, C-)**

Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.

**Marginal (D)**

Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

**Failure (F)**

Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

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**Part III Other Information**

Keyword Syllabus

Initial Public Offering, Prospectus Regime, Mandatory Disclosure, Corporate Governance, Prospectus Liability, Market Misconduct, Insider Dealing, Takeovers Code, Privitisation.

### Detailed Syllabus

- Initial Public Offering
- Regulatory Competition Among Stock Exchanges
- Corporate Governance of Public Companies
- Mandatory Disclosure and the Prospectus Regime
- Prospectus and Related Liability
- Market Misconduct and Insider Dealing
- Takeovers Code and the Market for Corporate Control
- Privitisation

### Reading List

#### Compulsory Readings

Title	
1	Nil

#### Additional Readings

Title	
1	Douglas W Arner, Berry Hsu, , Say H Goo, Syren Johnstone and Paul Lejot, Financial Markets in Hong Kong : Law and Practice, 2nd edition, (Oxford University Press, 2016).
2	David Donald (with Jefferson Vanderwolk and Wang JiangYu), A Financial Centre for Two Empires: Hong Kong' s Corporate, Securities and Tax Laws in its Transition from Britain to China 292 pp. (Cambridge University Press, 2014)
3	Cally Jordan, International Capital Markets: Law and Institutions (Oxford University Press, 2014).
4	Marc Steinberg, Franklin A. Gevurtz, and Eric Chaffee, Global Issues in Securities Law (West, 2013).
5	Marco Ventoruzzo, Pierre-Henri Conac, Gen Goto, Sebastian Mock, Mario Notari and Arad Reisberg, Comparative Corporate Law (West, 2015).
6	<a href="http://www.sfc.hk/web/EN/index.html">http://www.sfc.hk/web/EN/index.html</a>
7	<a href="http://www.oecd.org/corporate/">http://www.oecd.org/corporate/</a>
8	<a href="https://www.sec.gov/">https://www.sec.gov/</a>
9	<a href="http://www.fca.org.uk/">http://www.fca.org.uk/</a>